

#5

LAND ACQUISITION AND
THE FAIRHOPE SINGLE TAX COLONY

Phil Townsend
December 2, 1988

On November 15, 1894, a group of twenty-eight men, women and children met at Battles' Wharf, Alabama, to fulfill their dream of establishing Fairhope, a utopian community based upon the principles of Henry George. In his 1879 treatise, Progress and Poverty, George proposed the collection of a single tax upon the rental value of land. Land itself would remain in the possession of private individuals, but any value created by the land's advantageous location, or any other factors not involving owners' efforts, would be taxed away in the form of a nationalized rent. All earned income, that return gained from labor and capital applied to the land, would remain with the individual landholders. Land would therefore only be used productively, as any returns gained from keeping the land out of use would be taxed completely. George argued that no other taxes would be necessary in such a society because the rental returns would be adequate for all public needs. Thus, all of society would benefit from the increasing value of land, not just the private landowners and speculators.¹ George's single tax theory was attractive to many late nineteenth century reformers because it offered a solution to the poverty that industrial progress had created. Industrial growth had increased land values, benefiting private landowners at the expense of wage laborers. By making land available to all and by appropriating the economic rent on land for public needs, George's system would eliminate poverty in

¹ Arthur Power Dudden, Joseph Fels and the Single Tax Movement, (Philadelphia: Temple University Press, 1971), p. 31.

society. The Fairhoppers hoped to display to the world the advantages of George's theory.

The Fairhoppers intended to demonstrate George's theory by creating a land-holding association that would administer the single tax. Because they could not simply establish the community and collect the single tax, ignoring state and local laws, the Fairhoppers had to organize their project so that it would operate within local, state, and federal regulations. Thus, the Fairhope Industrial Association was created. The association would purchase and administer the lands of the Fairhope community, and would rent the land to members of the association. Like George's single tax, the rent would be computed from the value of the land in relation to the other lands in the community, not from the value of the land's improvements. With some of the rental returns, the association would pay local taxes for the colony's residents, thus simulating a single tax for the renters. The remainder of the rent would be used for public improvements in the manner envisioned by George. The Fairhoppers believed that through this arrangement, they could approximate George's single tax theory.

Ernest B. Gaston, Fairhope's principal founder, the association's long-time secretary, and editor of the Fairhope Courier, wrote that land, money and people were the three most important factors for Fairhope to be a successful and thriving community.² Land, the central issue of George's single tax theory, was necessary just to make the Fairhope experiment

² Fairhope Courier, February 1, 1897.

possible. Therefore, one of the primary concerns of the Fairhoppers was to purchase enough land both to satisfy present and future demands and to prevent land speculation at the colony's expense. Money was needed to purchase the land, and people were needed to live on the colony's land, pay rent on it and participate in the community. Thus, population and money concerns greatly affected Fairhope's land acquisition policies. Finally, as Fairhope was to be a "community," the location of the association's lands in relation to each other was another important consideration for the colonists. An examination of the history of land acquisition in Fairhope will therefore reveal much about Fairhope's relative successes and failures as a model single tax community.

The colonists chose a site on Mobile Bay in Baldwin County, Alabama, to be the home of Fairhope. Edward Quincy Norton, a dedicated single-taxer from nearby Daphne, had been negotiating in Fairhope's behalf for control of a 15,000 acre tract in Baldwin County. Such a tract, Gaston reported, was "admirably suited" for Fairhope's purposes, and would give the Fairhoppers "elbow room" for years to come.³ James Bellangee, one of Fairhope's founders, suggested that "a mile frontage along the bay and a good body of land running back on the table lands" would be ideal for the community.⁴ Despite their lofty ambitions, the Fairhoppers were not able to purchase the large

³ Courier, October 1, 1894.

⁴ James Bellangee to E.B. Gaston, July 16, 1894. Fairhope Single Tax Colony Archives.

tract that they deemed ideal for their community. The association did not have the funds to buy a large tract and was forbidden by its constitution from entering into debt. Indeed, the Fairhoppers had not purchased any land in Alabama when they arrived, and had only in August of 1894 secured an option to purchase a 220 acre bayside tract at \$6 per acre.⁵ Although their option on that tract expired before they arrived in Alabama, its owner, Mrs. Sarah I. Tatum, assured them that the land would still be available when they arrived.⁶

>The Fairhope Industrial Association completed its first land purchase on January 5, 1895. The Fairhoppers purchased 132 acres of the 220 acre bayside tract that Mrs. Tatum had previously optioned to the association.) This first conveyance included approximately 2800 feet along the shore of Mobile Bay, but was broken by a 21 acre tract that A.E. Schalkenbach had purchased from Mrs. Tatum in February of 1894. (The Fairhoppers paid a total of \$1000 for the tract.⁷ On February 5, the association purchased a 200 acre tract that adjoined to the rear of the

⁵ Tatum Option, August 14, 1894. Files of Paul Gaston.

⁶ Sarah I. Tatum to E.B. Gaston, October 17, 1894. Archives.

⁷ Tatum Deed, January 5, 1895. Files of Paul Gaston. The deed lists the total asking price for the plot as \$1000, which would have amounted to \$7.41 per acre for 135, not 132, acres of Mrs. Tatum's land. The actual acreage of the plot was later assessed as 132 acres. The February 1, 1895, Courier reports the colony having paid \$771 on the tract, a rate of \$5.84 per acre that is closer to the \$6.00 per acre price that Mrs. Tatum quoted in her option. As there are no records of any other disbursements on the Tatum plot in either the Courier or the Minutes, it is very likely that the association actually paid only \$771 for Mrs. Tatum's land.

original conveyance, bringing Fairhope's total landholdings to 332 acres.⁸ They purchased the second tract for \$250 from the estate of John Bowen.⁹ The Fairhope Industrial Association never gained possession of the Schalkenbach tract, and acquired the remainder of Mrs. Tatum's land piecemeal over the following twelve years. /

The circumstances of the earliest land conveyances foreshadowed a number of future problems for the Fairhoppers. First, the presence of a parcel of privately-owned land within the borders of the association's property contradicted the communitarian ideal of the Fairhope experiment. The Schalkenbach tract represented one of the problems that the Fairhoppers sought to avoid. The fact that there was land within the colony's boundaries that was not subject to the same single tax as those lands owned by Fairhope stood as an affront to the very purpose of Fairhope. Although this was a problem beyond Fairhope's control, the situation was confounded further by the fact that Schalkenbach, a single-taxer who was not a member of the Fairhope association, never made his land available to be purchased by the Fairhoppers. Indeed, he sold one section of his tract to Dr. Clara Atkinson, E.B. Gaston's sister, in 1896. Dr. Atkinson, in turn, refused to sell her land to the association and felt compelled, in 1905, to resign her membership in the

⁸ Courier, February 15, 1895.

⁹ Minutes, Fairhope Industrial Association, February 7, 1895.

association.¹⁰

Second, as the Fairhoppers did not initially have the funds to purchase all of Mrs. Tatum's land and other available properties, they became beleaguered by the prospect of having to pay higher and higher prices for land that they wanted. Gaston had wanted to purchase a very large tract of land so that speculators wouldn't drive up the land prices in Baldwin County, but the association's indigence had necessitated only small land purchases, thus allowing land speculation to take hold in the area. For instance, the association purchased eighteen more acres from Mrs. Tatum in July of 1895 for \$300, a rate of more than \$15 per acre. This price increase was not necessarily the result of conscious land speculation, but it does display the immediate speculative effect that the Fairhoppers' decision to locate in Baldwin County had on local land prices. Thus, as land prices rose almost immediately after the Fairhoppers arrived in Alabama, land speculation became a definite problem for the colony.

Money proved to be another problem for the Fairhope Industrial Association. The association was forbidden from entering debt, so all land that it purchased had to be acquired with funds that were either already in the association's treasury or were expected to be collected during the current fiscal year. As such, the association could only afford to purchase 350 acres in 1895, an amount that fell far short of Gaston's and Bellangee's earliest hopes. They had known, or had at least been

¹⁰ Courier, May 5, 1905.

told, that their high hopes would not be met, especially since the association's assets from the first year were fairly meager.¹¹ By January, 1895, the association had collected \$2,206.90 in stock(membership fees) and penalties, as well as \$43.69 in newspaper subscriptions and a \$5 donation, while it had disbursed \$1056.18, leaving only about \$1200 available for land purchases.¹² Fairhope's initial land purchases were therefore quite modest.

The association purchased only the first 350 acres of the nearly 4000 acres that it owned in 1906 with funds drawn directly from the collection of membership fees. Most of the colony's land acquisitions were either gifts to the association or purchases made with donations. Only one association land purchase between 1896 and 1906, that of a forty acre tract made by E.B. Gaston for \$24.50 at an 1899 tax sale, was purchased with funds generated from within the association.¹³ Rental returns were modest during the first few years, and were reserved for paying property taxes; leftover rental revenues were earmarked for public utilities, not land purchases. As the colony's income from membership payments had declined, Gaston realized that the community could not generate the revenues necessary to purchase enough land to make the colony as large as he desired. The secretary therefore looked towards the generosity of friends and single-taxers

¹¹ Gilbert Anderson to E.B. Gaston, June 14, 1894. Archives.

¹² Courier, February 1, 1895.

¹³ Minutes, FIA, January 16, 1899.

outside of Fairhope to provide the money necessary for Fairhope to expand.

John H. Blakeney, a single-taxer from Binghampton, New York, wrote E.B. Gaston on December 25, 1894 to express his support for the new colony. Though not a rich man, Blakeney pledged a \$10.00 donation to the association, noting that if he could be just one of one hundred interested individuals to donate \$10.00 to Fairhope, the colony's financial woes would be greatly reduced.¹⁴ Inspired by Blakeney's interest in Fairhope's success and his willingness to contribute money to the cause, Gaston announced the creation of the Single Tax Land Fund in the January 1, 1895 Fairhope Courier. The Courier, which was distributed to many single-taxers (and others) across the nation, advertised the fund as being designed for those individuals who, though they may never wish to move to Fairhope, were "deeply interested" in the Fairhope experiment and wished to assist the Fairhoppers in forwarding their "cherished principle."¹⁵ The aim of the fund was twofold: first, the Fairhoppers could raise much-needed capital for further land purchases. Second, they could tap an energetic source of support that had previously been appreciated, but not utilized towards any practical advantage. Those single-taxers who supported the Fairhope experiment but did not wish to join the association or leave their homes for Fairhope could invest in the Single Tax Land Fund, enhancing the colony's

¹⁴ John Blakeney to E.B. Gaston, December 25, 1894. Archives.

¹⁵ Courier, February 1, 1895.

chances for success but not incurring any further responsibility to the association. Contributors to the fund could at any time apply their donation towards a membership in the association. Blakeney responded to Gaston's announcement in the Courier: "I had thought of suggesting that if money were donated it be used for the purchase of land for some of the settlers who should take it without cost, but subject to the single tax payable to your association."¹⁶ Donations by non-members would prove to be a valuable source of income for many projects during Fairhope's first twelve years.

At first the Single Tax Land Fund was only a moderate success. The association raised \$239.00 through the fund in 1895, but they received \$200 of the \$239 from just two donors.¹⁷ Contributions declined in 1896, and the association recorded only one \$5.00 donation to the fund in 1897.¹⁸ Gaston rejuvenated the concept of the land fund in 1898, as the colony's option on a 320 acre tract held by C.K. Brown was set to expire on January 1, 1899. The Brown tract lay between two non-adjacent portions of colony-owned land--the original conveyance and a 320 acre country tract that George Bancroft had purchased for the association in 1896. Gaston therefore considered ownership of the Brown tract essential to the colony's success, as its ownership by anyone other than the association would disrupt the colony's attempt to

¹⁶ Blakeney to Gaston, January 11, 1895. Archives.

¹⁷ Courier, May 1, 1896. \$264 was actually subscribed, but E.G. Bostedo later applied his \$25 contribution towards a membership in the association.

¹⁸ Courier, March 1, 1898.

achieve contiguity of landholdings. Such contiguity was necessary for the colony to remain a "community." E.B. Gaston thus issued an urgent plea for donations to the land fund. The response to his plea was excellent, and the association raised \$385.00 to pay for the tract. The colony paid a total of \$410.00 on the tract.¹⁹

The colony also relied very heavily upon donations to pay for land acquisitions in 1903 and 1906. On Northern lecture tours in 1903 and 1904, James Bellangee raised \$3240.70 for the colony. In November of 1903, the association used \$799.76 of the funds raised on Bellangee's first trip to buy the Morphy tract, a forty acre bayside section of land that had once belonged to Mrs. Tatum.²⁰ The colony also used contributions collected on the first trip to make payments on a bayside tract that Joseph Fels was holding for the association.²¹ In 1906, the association completed the purchase of the White tract, another section of Mrs. Tatum's old estate, with funds raised by Bellangee.

E.B. Gaston exercised a remarkable amount of foresight in planning the colony's expansion. Knowing that the association did not possess the resources to purchase available lands, Gaston entreated several of Fairhope's wealthier benefactors to purchase land and then option it to the colony. Although options did not place the land directly in the Fairhoppers' hands, options did give the Fairhoppers the security of knowing that valuable

¹⁹ Courier, January 1, 1899.

²⁰ Courier, December 1, 1905.

²¹ Courier, January 15, 1904.

lands that they couldn't afford were being held aside for them. The options generally lasted three to five years and were redeemable, when the funds became available, at cost plus 6%. The friends who gave the Fairhoppers options on land faced little risk, because, if the association did not redeem an option, they would be free to sell the land at the prevailing market price. Gaston knew that if the association did not make such arrangements to purchase lands in the future, adjoining lands might become either unavailable or available only at unreasonable rates. Options would help the colony to "forestall speculators" before the Fairhope enterprise had "enormously enhanced" adjoining lands' values.²²

The colony secured several tracts of land through options. In December of 1895, Gaston asked L.G. Bostedo, a wealthy member of the Chicago Single Tax Club, to purchase a tract that adjoined to the rear (east) of the colony's original purchases. Bostedo agreed, and with another Chicago single-taxer, A.E. Nusbaum, purchased the 320 acre tract and gave the association a three-year option on it.²³ In December of 1897, Bostedo and Nusbaum transferred the option to C.K. Brown, who held the plot until the colony bought it for \$410.00 in December of 1898, about a week before the option would have expired. On another occasion, George M. Bancroft, the association's president, secured for Fairhope an option on a 160 acre tract of land in the country.

²² Courier, August 1, 1896.

²³ L.G. Bostedo to E.B. Gaston, December 14, 1895. Archives.

Upon purchasing the land in 1900, the Fairhoppers learned that shortly after Bancroft had obtained the option to the land, another party had obtained an option to purchase the same land at a higher price, should Mr. Bancroft not have take advantage of his option.²⁴ The shadow of speculation thus loomed threateningly over the Fairhoppers' shoulders.

The Fairhoppers relied upon options to secure more land in 1900. Mrs. Tatum had offered to sell most of the remainder of her estate, about 85 acres, to the Fairhoppers at the "favorable" price of \$1350.00.²⁵ Ownership of Mrs. Tatum's land was critical to the colony because it adjoined the associations original conveyance on the south, along the bayfront. This land was very close to the center of the village, which had been built on the site sold to the Fairhoppers by Mrs. Tatum in 1895. Once again, the communitarian ideal of Fairhope would be jeopardized if private landholdings were allowed so near to the center of Fairhope. E.B. Gaston reported:

Other resident members are straining every nerve to raise the money to take in a tract of bay front adjoining us, upon which we have a favorable offer good for a very short time, and which we feel it of the utmost importance to secure, but so far responses from outside friends have been chiefly conspicuous by their absence. ²⁶

The Fairhoppers, then, as they could not purchase the land themselves, succeeded in convincing three individuals--William Morphy, Mrs. Carrie P. Sykes and Mr. A. White--to purchase parts

²⁴ Courier, March 1, 1900.

²⁵ Minutes, FIA, February 2, 1900.

²⁶ Courier, February 1, 1900.

of Mrs. Tatum's tract and option them to the colony.

William Morphy, a Des Moines single-taxer, purchased the forty acre section immediately adjoining the colony. He bought the plot for \$650.00 and gave the colony a three-year option to purchase it from him.²⁷ In November of 1903 the colony bought Morphy's tract for \$799.76, money that Bellangee had raised on his Northern trip. Mrs. Carrie P. Sykes purchased a four acre bayside tract for \$250.²⁸ She later transferred the tract to Joseph Fels of Philadelphia, who sold the land to the colony in 1905.²⁹ A. White, a single-taxer from Vallejo, California who had donated generously to Fairhope's land fund in 1898, purchased the last bayside section, about 42 acres, for \$700. White gave the association a five-year option on his tract, which contained Mrs. Tatum's old house.³⁰ The colonists paid for the White tract in several installments, and received the deed to the tract in 1906, after having paid White more than \$900.³¹

The Fairhope Industrial Association acquired much land through options and financial donations, but, of all the land it

²⁷ Minutes, FIA, April 16, 1900.

²⁸ Courier, May 1, 1900.

²⁹ Minutes, FIA, September 4, 1905.

³⁰ Minutes, FIA, April 16, 1900.

³¹ The Courier of December 1, 1905, reports \$600 already paid on the White option and \$74.97 "in the hands of a special representative to pay Mr. White." The Minutes of February 19, 1906, report a \$150 payment to White on the land, and the April 13, 1906, Minutes report a final payment of about \$180 to complete the White purchase, making the total paid \$904.97. The Association did not keep good records on this particular transaction.

owned in 1906, the association acquired more than half through land donations. In two instances, individuals transferred land to Fairhope in return for memberships in the association. Such transfers were essentially gifts to the association, as the colony paid no hard cash for the transferred lands. The first such transfer occurred in 1896 when George M. Bancroft, a future president of the association, gave the Fairhoppers a 320 acre tract of land located about one mile into the country from the colony's original conveyances. Bancroft had purchased the land at \$1.00 per acre and had intended to option it to the colony, but chose instead to turn the tract over to Fairhope in acceptance of \$320 of "association stock" (membership in the association).³² The plot was somewhat remote, but the Fairhoppers were certainly willing to accept Bancroft's proposal, as it nearly doubled the association's landholdings.

R.F. Powell made a similar donation to the colony in 1905. Powell's tract was adjacent to the Tatum lands, and was therefore quite close to the "heart of town." Powell had given the association options to buy the land for \$750, and then \$500, but finally transferred the tract to the colony for credit covering the remainder due on his membership in the association and complete payment of a membership for his daughter, Ivy. Gaston wrote that this consideration, \$150 of "association stock," bore no relation to the land's real value, and was "practically a gift" to the colony.³³

³² Minutes, FIA, October 8, 1896.

³³ Courier, March 17, 1905.

The Bancroft and Powell conveyances were certainly generous contributions to Fairhope's landholdings, but they did not match the generosity of Joseph Fels' 2280 acre gift to the association on April 11-12, 1906. Fels, a single-taxer from Philadelphia and London who had made a fortune from manufacturing Fels Naptha soap, had contributed large sums of money to several Fairhope projects, most notably the steamer, between 1899 and 1906, and had proven to be Fairhope's most ardent outside benefactor. Fels wanted very much for Fairhope to be a success, and considered the colony's inability to obtain enough land to be a chief obstacle to that success. Fels realized that because the colony did not always have the money to purchase land, outside contributions were necessary for Fairhope to expand. He wrote: "They cannot expend the land rents for purchasing land, and the only way they can increase the size of the colony from time to time is to buy land with money subscribed by sympathizers."³⁴ Fels thus concentrated some of his efforts upon helping the colony obtain more land.³⁵

Prior to 1906, Fels had helped the colony acquire land by giving the association options on land he had purchased, but his major contribution to Fairhope's land cause was the 1906 gift. Fels paid \$4000 for the tract, which included 2280 acres of mostly contiguous land adjoining to the eastern edge of the colony. All of the land was in the country, and most of it was

³⁴ Joseph Fels to Lee Bernheim, February 27, 1906. Archives.

³⁵ Joseph Fels to Van Bavel and Koopman, July 9, 1909. Archives.

more than three miles from the original site. R.F. Powell negotiated the purchase, which settled a standing dispute between S.S. Mann, the association's former president, and George Hoyle over the land's ownership.³⁶ Fels paid Hoyle \$1000 and Mann \$3000 to bring the deed to the tract into the Fairhoppers' hands.³⁷ This one land donation, Fels' "absolute gift" to the colony, accounted for more than half of Fairhope's total land acreage in 1906.

The Fels land gift was an extraordinarily generous contribution to the colony, but it revealed several of Fairhope's many land problems. First, the Fels donation highlighted the substantial role that gifts and donations played in Fairhope's expansion. Because the association could not afford many necessities like land, its leaders openly solicited outside help. The fact that Fairhope relied so heavily upon outsiders' generosity exposed a fundamental contradiction in the colony's application of Henry George's theory. The community was supposed to be independent, sustaining itself by rental returns received from the application of the "single tax," yet Fairhope was actually dependant upon outside contributions to grow and expand. As such, the colony's policies violated the spirit of George's single tax theory. Fels realized this, at least partially, as he chastised Gaston for mentioning his name in the Courier with regard to the land purchases. Fels' concerns were practical: he

³⁶ Courier, April 13, 1906.

³⁷ Hoyle Deed and Mann Deed, April 11 and April 12, 1906, respectively. Files of Paul Gaston.

feared that if local landowners knew Fairhope had such a prominent benefactor, they might not be willing to make lands available to the association at reasonable rates.³⁸

Land was essential to Fairhope, so, in the absence of any other means to acquire large tracts of land, the Fairhoppers were willing to rely upon individuals like Fels to help the colony acquire land. Unfortunately, contributors often attached conditions to their financial generosity. Fels made few demands on the colonists, but other contributors insisted that the association enact changes in return for their support. John Blakeney, who actually never any made demands of the association, unwittingly foreshadowed this future problem for the Fairhoppers in his January 11, 1895, letter: "...I made no suggestion being willing to contribute my little without conditions or advice."³⁹ Michael Flurscheim, a wealthy Swiss single-taxer, contributed \$100 to the Single Tax Land Fund in 1895, but refused additional aid to the colony because the Fairhope plan was not in accordance with his own ideas.⁴⁰ L.G. Bostedo of the Chicago Single Tax Club likewise placed conditions upon his support for Fairhope. He wrote Gaston:

Although I cannot subscribe any cash at present, I will do this: If Fairhope is reorganized upon a basis that satisfies me that is as nearly upon single tax principles as the law will permit, and that the organization will stand the test of law, I will deed the 160 acres of land to the new organization without compensation. It is possible that I

³⁸ Joseph Fels to E.B. Gaston, May 7, 1906. Archives.

³⁹ Blakeney to Gaston, January 11, 1895. Archives.

⁴⁰ Courier, April 15, 1895.

could induce Mr. Nusbaum to do the same, although I cannot speak for him.⁴¹

The colony did not enact the changes Bostedo had suggested, and Bostedo withdrew his support for the colony entirely. He transferred the option on 320 acres that he and A.E. Nusbaum had held for the colony to C.K. Brown rather than giving the lands to the colony. Bostedo later wrote several very critical letters to Gaston, refusing Fairhope any monetary support and also predicting failure for the experiment.⁴² By not yielding to the demands of potential contributors, Fairhope maintained some of the integrity it had sacrificed by relying so heavily upon outside donations.

Fels' and others' generosity did not solve Fairhope's land problems, however. Those difficulties were rooted in the association's earliest land acquisition policies. To prevent the colony from becoming entrenched in debt, the association was forbidden from taking loans to pay for land.⁴³ Therefore the Fairhoppers could not originally purchase the large tract of land they considered necessary both to provide for future demands and also to prevent land speculation along the colony's perimeter. The association had to acquire land only as the funds became

⁴¹ L.G. Bostedo to E.B. Gaston, August 16, 1897. Archives.

⁴² See Bostedo to Gaston, January 10, 1898, and Bostedo to Gaston, March 9, 1901, as reprinted in the April 1, 1901, Courier.

⁴³ Ironically, the association did receive at least two loans. James Bellangee loaned the association \$84 to pay for a land purchase in 1900 and A. White loaned the association \$100 for land in 1898. White's loan was actually used for the water works, and was not repaid until 1906. Neither loan bore interest.

available. Unfortunately, when those funds did become available, many lands along the colony's perimeter were no longer available to be purchased.

Some nearby lands were not available because E.B. Gaston had chosen not to try to acquire them. In early 1895, the association paid Nancy Lewis, a black woman who was squatting on a tract the association had negotiated to buy from the Bowen estate, \$100 for her improvements on the land and to relinquish her claim to the land. Later, in June of 1895, Gaston decided not to buy a 40 acre tract close to the original settlement because Nancy Lewis had relocated there and was also seeking to purchase it. The land was quite valuable to the colony, but Gaston sympathetically allowed Lewis and her family to buy the tract. Nancy Lewis, along with Parker Young, another black resident of the area, acquired the deed to the tract.⁴⁴

Other lands were not available because the owners had often divided the land and sold it to various individuals. A.E. Schalkenbach, for instance, sold his land to three separate parties, one of whom was E.B. Gaston's sister, Clara Atkinson. Land was actually quite cheap in Baldwin county, so during the early years of the Fairhope experiment, when the association did not have the funds to purchase surrounding lands, many private individuals who possessed the means bought the available lands near Fairhope. These people, many of whom supported the Fairhope experiment, then often refused to make their land available to

⁴⁴ Paul M. Gaston, Women of Fair Hope, (Athens: University of Georgia Press, 1984), pp. 16-17.

the association. Clara Atkinson resigned from the association rather than turn her land over to it. William J. DeLaMare, who was not actually a member of the association but was quite active in local affairs, refused to sell his land to the colony, and left Fairhope in 1901 because the Fairhoppers had not been very receptive to his presence in the community. He owned a tract close to the center of town that the association had "coveted" for some time--indeed it was the same close tract that R.F. Powell later gave to the association--and the Fairhoppers resented his simultaneous desires to own land and participate in the community. E.B. Gaston wrote:

Those who think of coming to Fairhope and locating on land adjoining the colony should realize that they cannot expect the colony to feel toward them and take them into as full fellowship as if they were on colony land. This is not from any prejudice of organization or cult but because we feel that holders of land outside the colony are reaping an undeserved advantage in the increasing value of their land, because of our every effort to make Fairhope a more desirable place to live and do business. ⁴⁵

The Fairhoppers wanted people to come to the region and share the benefits of their community, but only on the same terms as those living on association lands.

Fairhope created a certain amount of economic activity in the region, thereby attracting many people to move into the Fairhope area. The population influx exacerbated Fairhope's attempts to acquire more lands close to the original conveyance, as many individuals bought nearby land instead of renting association land. D.S. Brown, for instance, declined to give the association an option on land he'd purchased because he could

⁴⁵ Courier, August 15, 1901.

hold the land cheaper outside the association than inside of it.⁴⁶ People such as Brown were a burden to Fairhope, as they often acquired lands the association might otherwise have purchased. The colony had created the demand to live in the area, and now people were benefitting from their proximity to Fairhope without actually participating in the experiment. The private landholders who lived very close to Fairhope participated in the Fairhope economy, but did not pay the "single tax" to the association. According to the single tax theory, these landholders were receiving unearned advantages from the colony's presence. This was beyond the association's control, but it nevertheless contradicted the colony's attempt to practice George's theory.

The very presence of Fairhope contributed to the region's economic growth, and hence the colony also contributed to a rise in land values in the area. Demand for land had increased with the arrival of the Fairhoppers, so owners could command higher prices for land. Speculation blossomed in Fairhope. Mrs. Tatum, for example, had sold 132 bayside acres to Fairhope for \$1000 in 1895, but could receive \$1600 for 85 adjacent acres five years later. E.B. Gaston wrote in 1897 that Mrs. Tatum had raised the price on some of her land to \$100 an acre and that the land "might as well be wiped out of existence."⁴⁷ Speculation, by preventing the association from buying land at reasonable prices, likewise prevented the colony or anyone else from using the land

⁴⁶ Minutes, FIA, May 21, 1900.

⁴⁷ Courier, September 1, 1897.

productively. Mrs. Tatum, on the other hand, reaped an unearned income from closeness of her land to the colony. The colony had therefore stimulated land speculation, the very evil that the Fairhoppers had hoped to eliminate at their Baldwin County enclave.

Land speculation was a tremendous temptation. Ideally, the area would only have been populated by truly dedicated single taxers and individuals who abhorred the notion of land speculation, but this obviously could not be the case. Anyone with some money could make a quick unearned profit from the land demand created by Fairhope. Even members of the association engaged in land speculation. Less than six months after the Fairhoppers arrived in Baldwin County, several of the original settlers--Dellgren, Michaels, Smith and Tuveson--withdrew from the association and purchased a section of "excellent land" less than one and a half miles from Fairhope. Gaston reported in the Courier that the group intended to divide and sell the land, contrary to the principles of the association.⁴⁸ Still other members, most notably C.L. Coleman, the association's 1897-1898 president, sought to profit from the increased land values around Fairhope. In 1902, the executive council learned that Coleman was advertising for sale land adjoining the colony without giving the association an option to buy the land.⁴⁹ They made "strenuous" efforts to secure the land from Coleman at cost plus ~~it~~, but Coleman refused to sell the land at any price less than

⁴⁸ Courier, April 15, 1895.

⁴⁹ Minutes, FIA, November 10, 1902.

\$10 per acre.⁵⁰ This would have amounted to \$2400 for the 240 acre tract, which adjoined a 320 acre section that the association had paid \$410 for in 1898.⁵¹ Coleman's behavior, especially as an association member, hindered the colony's attempts to acquire a continuous expanse of land.

Speculation and the unavailability of land forced the Fairhoppers to acquire country land rather than land close to the original settlement. In 1906, the association owned a patchwork of lands that spread disjointedly from the bayfront into the country. The colony held about 500 acres in the general area of the village, but owned more than 3300 acres in the country, away from the town. Most of the association's land adjoined other colony-owned land at some point, but only one small strip of land connected the country lands with the village lands. The colony therefore did not acquire the large and continuous expanse of land that Gaston had envisioned.

The association's landholdings simply did not fit the needs of the colony. First, there was no demand for the country lands. Indeed, one of the executive council's first decisions after receiving the deeds to the Fels land was to not lease any of it.⁵² The country lands did not forestall speculation either, as the valuable lands that were most susceptible to speculation were those nearer to the town. The village lands were also inadequate, as they were discontinuous and interspersed with

⁵⁰ Minutes, FIA, November 16, 1903.

⁵¹ Minutes, FIA, November 9, 1903.

⁵² Courier, May 11, 1906.

private landholdings. Combined, these factors contributed much to Fairhope's eventual failure as a model single tax community.

Fairhope's landholdings played a major role in the colony's evolution as a "community." The concept of a "utopian community" presupposes that the members of the community share a common location as well as a common belief. The resident Fairhoppers lived in the same general area, but, as the association did not own all of the land in the area, many people who neither belonged to the association nor agreed with its principles lived among the Fairhoppers. The distinction between members of the community and non-members was blurred by the fact that sometimes people living on non-association land lived closer to the center of the village than people on association land.

Even the people living on the colony's land did not always share E.B. Gaston's belief in single tax theory of Henry George. In 1896, the association had decided to allow non-members to rent colony land. Gaston wrote that the chief reason for the policy change was to give prospective members a "probationary period" in the colony, but, as rental income was low and much colony land lay unused, it seems likely that the new policy was intended to put dormant association land to use.⁵³ Theoretically, the colony could demonstrate George's theory just as well, and perhaps better, with both non-members and members renting association land, as now there would be more people living in the colony and paying the "single tax." Yet, by allowing non-members to live on colony land, the Fairhoppers accepted into their community

⁵³ Courier, October 1, 1896.

people who were not necessarily as dedicated to the single tax theory as themselves. These non-member residents might not be as receptive to or understanding of the colony's policies as those people who had joined the association for its ideology. The association risked becoming landlord to its tenant-residents, rather than burgeoning as a community of single-taxers.

Henry George's theory was difficult to demonstrate in the form of a "model community." The single tax theory was a universal proposition: it was intended to transform all of society. For it to be effective, then, all of the land in society had to be subject to the single tax. The Fairhoppers had a fundamentally different relationship with land from the members of George's hypothetical society. By attempting to demonstrate George's theory in a small colony, the Fairhoppers could control only a small portion of society's land, and thus had to contend with outside forces, such as land speculation, that by definition would not have existed within George's society. Because the Fairhoppers had to concern themselves with buying land and impeding speculation, they never had the opportunity to apply George's theory faithfully to their community. The single tax theory just was not easily practicable except as a total social reform. Henry George therefore never endorsed the Fairhope experiment.

The Fairhope experiment might have been a more successful demonstration of George's theory had the association gone into debt and purchased a large tract at the beginning. A large landholding could have eliminated many of Fairhope's land

problems. Speculation would have been checked, as the association would have owned all the land that it needed from the beginning. The Fairhoppers could have then concentrated their efforts over the years on practicing George's theories rather than worrying about purchasing land. There would have been no private lands interspersed among association lands, so the single tax would have been uniformly applied to all of the community's members. The colony also would have had plenty of land for future growth. Debt, however, would have created a series of other problems for the colony.

The Fairhoppers chose a no-debt financial policy, thereby committing themselves to years of land acquisition problems. They acquired their land bit by bit, amassing, through the relentless efforts of Ernest B. Gaston, James Bellangee, George Bancroft, Joseph Fels and others, almost 4000 acres by 1906. The land was not contiguous, however, and the Fairhoppers were never able to establish the unified landholding that would have made Fairhope a "model community." Contradictions to the Fairhoppers' cherished single tax theory abounded within the community, and the colony was doomed to succeed only as a landholding corporation, not as a shining example of Henry George's single tax theory.

CHRONOLOGY OF LAND ACQUISITIONS
BY THE FAIRHOPE INDUSTRIAL ASSOCIATION⁵⁴
1895-1906

- 1895 January 5 From Sarah I. Tatum 132 acres \$1,000
Located in Section 18 along Mobile Bay, broken
only by a 21 acre tract owned by C. Schalkenbach.
The Fairhoppers may only have paid \$771 for this
tract. The tract was paid with funds collected
from payments on memberships.
- February 6 From the John Bowen Estate 200 acres \$250
Located in Section 17, adjoining to the east of
the Tatum purchase. Also purchased with funds
from membership payments. The association paid
George H. Hoyle \$200 in 1904 to settle his claim
to the land in this acquisition.
- July 29 From Sarah I. Tatum 18 acres \$300
Located in Section 18, adjoining to south of
original Tatum conveyance. Paid with \$250 cash
and \$50 in Wharf Certificates.
- 1896 October 12 From George M. Bancroft 320 acres \$320
Located in Section 15, not adjoining to any
colony lands. The association paid no cash for
this purchase. George Bancroft deeded the land to
the colony in return for \$320 worth of
association stock, or membership in the
association.
- 1898 December 24 From C.K. Brown 320 acres \$410
Located in Section 16, stretching from the
eastern edge of Section 17 to the western
edge of the Bancroft conveyance, thus connecting
the Bancroft conveyance with the village area.
At least \$385 paid with donated funds.
This tract had originally been bought and
optioned to the colony by L.G. Bostedo and A.E.
Nusbaum.
- 1899 January 19 From the State of Alabama 40 acres \$24.50
In Section 17, originally for 120 acres, but 80
acres were claimed by the Dunlap estate.
- 1900 March 3 From George H. Hoyle 160 acres \$134
In Section 22, adjoining to Bancroft conveyance.
Paid with \$50 advanced by F.L. Brown for stumpage
rights and an \$84 loan by J. Bellangee.

⁵⁴ Compiled in part from a similar chronology by C.A.
Gaston. Files of Paul Gaston.

- 1902 November 29 From George M. Bancroft 160 acres \$12.35
Located in Section 14, not adjoining any colony
land. Bancroft had secured an option to this
land several years earlier, and accepted
repayment of the \$12.35 he had remitted to the
state for the tax title to the land as
compensation from the association. Reported
in the 11/15/02 Courier.
- 1903 November 18 From William Morphy 40 acres \$799.76
Located in Section 18, adjoining other colony
lands in said section. Purchased from Mrs. Tatum
by Morphy for \$650 and optioned to the
association at cost plus 6%. Paid with funds
raised by Bellangee on speaking tour.
- December 1 From Joseph Fels 80 acres \$285
Located in Section 15, adjoining other colony
lands in same section. Optioned to colony by
Fels. Minutes of 12/7/88 report \$285 remittance
to Fels.
- 1905 August 14 From Joseph Fels 4 acres \$250
Located in Section 18 along Bay. \$150 remittance
mentioned in 1/15/04 Courier and \$100 remittance
mentioned in 2/16/06 Courier (some of which was
forwarded by Fels as payment on membership).⁵⁵
Both of Fels acquisitions paid with money raised
for the land fund, donations from Fels, and
general association funds.
- March 8 From R.F. Powell DeLaMare Land \$150
Located in Section 18, formerly land owned by
W.J. DeLaMare. The association paid no cash for
this acquisition, as Powell accepted payment in
association stock for memberships for himself and
his daughter.
- 1906 January 19 From Mershon-Larsen 13.7 acres
Located in Section 20. No reference in Minutes or
Courier.
- March 29 From State of Alabama 40 acres
Located in Section 17. No reference in Minutes or
Courier.

⁵⁵ Courier of 3/15/04 reports \$435.65 paid Fels in 1903,
which would cover the \$150 remittance reported 1/15/04 and the
\$285 remittance reported 12/7/03.

1906 April 11-12 From George H. Hoyle and S.S. Mann

2280 acres \$0

Located in Sections 2, 10, 11, 14, 15, 22, and 27, all country lands. Joseph Fels paid \$4000 on these lands.

April 14 From Fairhope Improvement Company

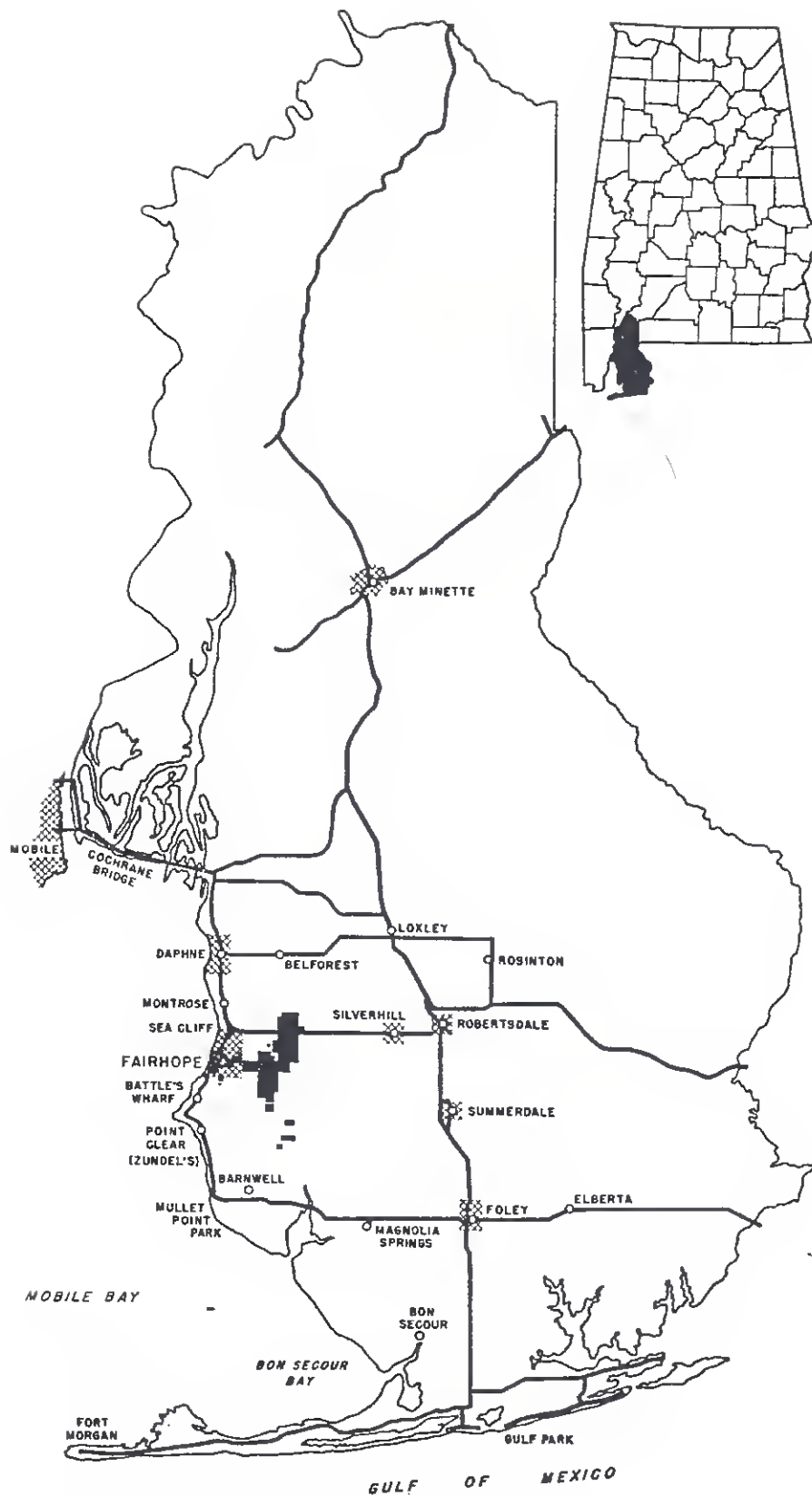
40 acres

Land in Section 15, joining some of the Fels purchase to colony lands. Transferred to Improvement Company through Fels. No price mentioned in Minutes or Courier.

June 4 From A. White

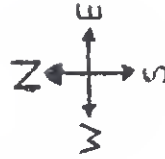
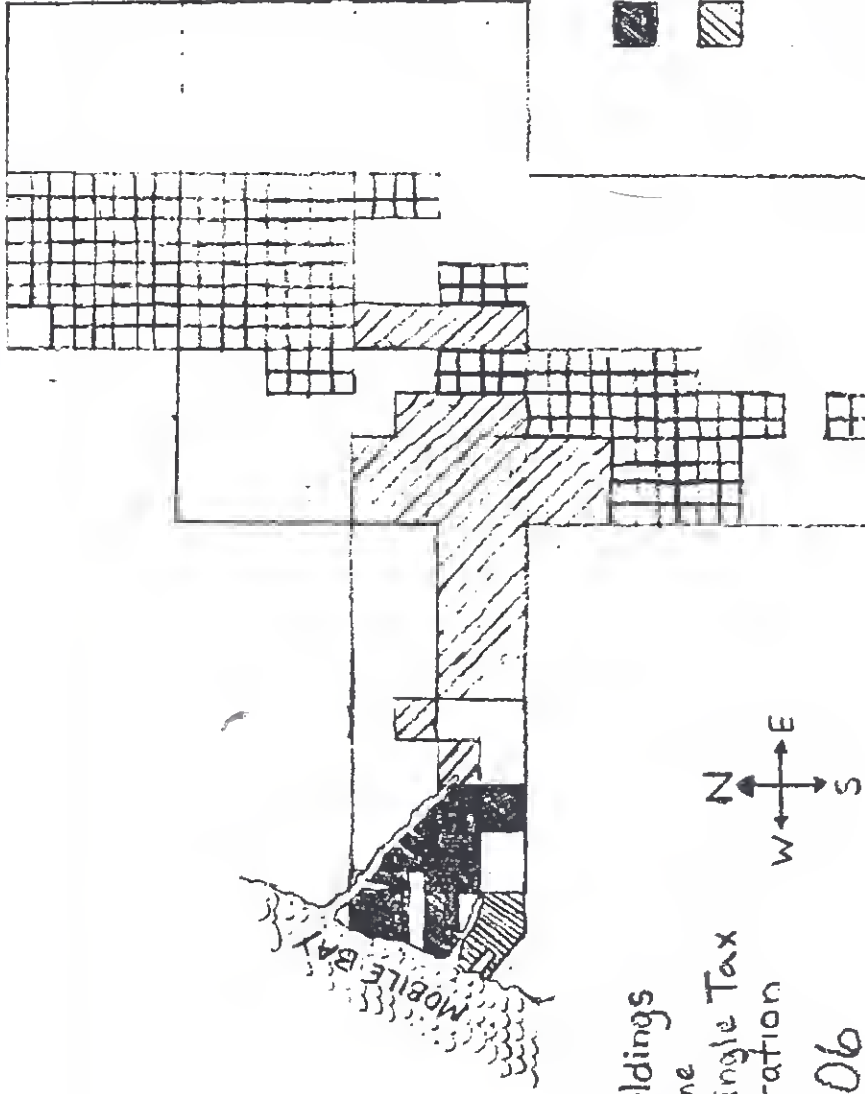
42 acres \$902.97






Land in Section 18 optioned to colony by White in 1900. Originally part of the Tatum Estate. Paid with donated funds.

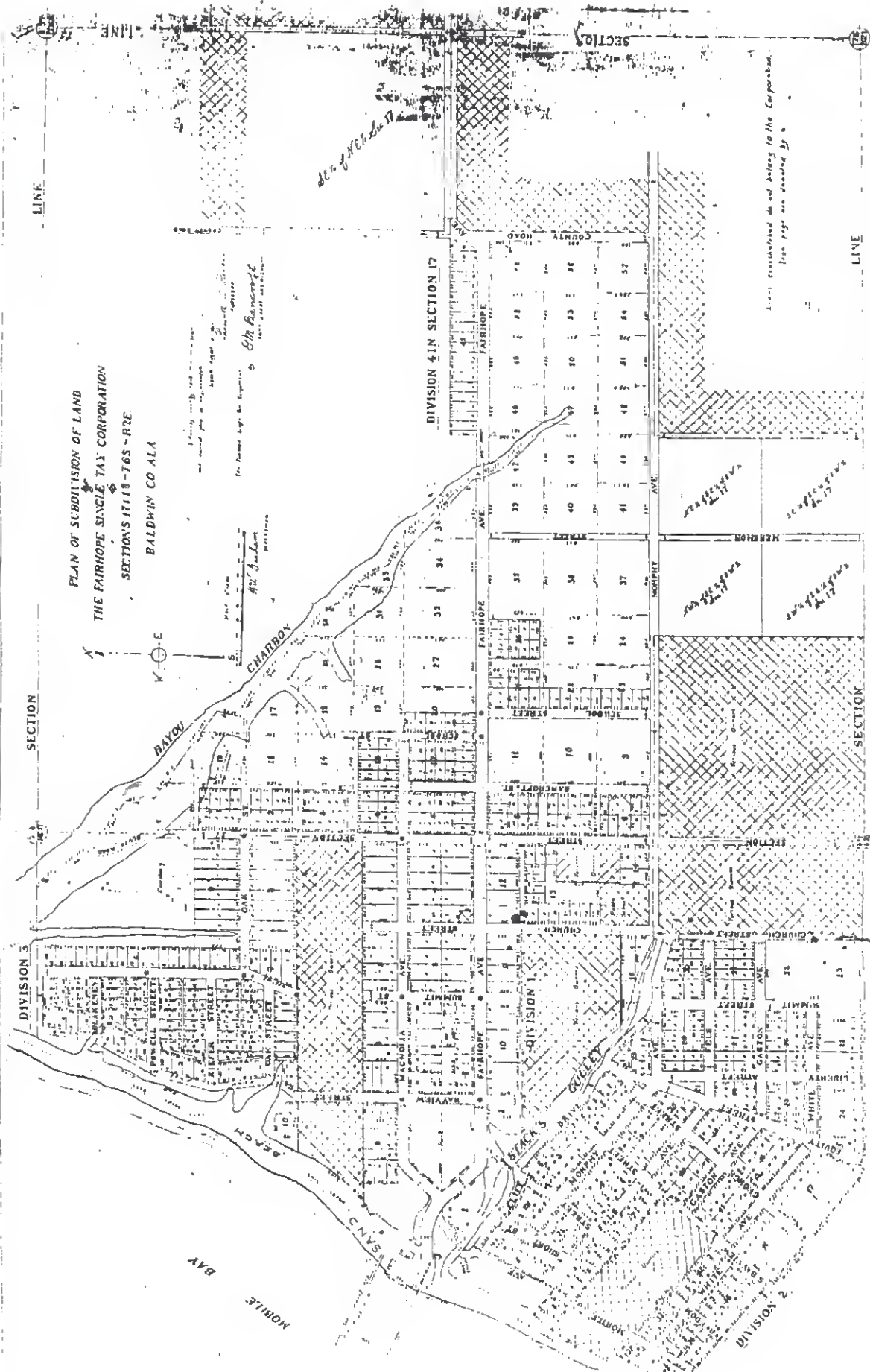


BALDWIN COUNTY, ALABAMA
Location of Fairhope Single Tax Corporation land in solid black.

Landholdings of the Fairhope Single Tax Corporation 1906



-  Original Purchases 1895
-  Tatum Land purchased from Morphy, Fels, and White 1903-1906
-  Fels Gift 1906
-  Other Acquisitions 1896-1906
-  Non-Association Land



PLAN OF SUBDIVISION OF LAND
THE FAIRHOPE SINGLE TAX CORPORATION
SECTIONS 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100

Lines contained on and belong to the Corporation.
Lines not on and belong to the Corporation.

BIBLIOGRAPHY

- Alyea, Paul E. and Blanche R. Fairhope, 1894-1954: The Story of a Single Tax Colony. Tuscaloosa: University of Alabama Press, 1956.
- Dudden, Arthur Power. Joseph Fels and the Single Tax Movement. Philadelphia: Temple University Press, 1971.
- Fairhope Courier, 1894-1907.
- Fairhope Single Tax Colony Archives, Correspondence, 1894-1909.
- Gaston, Paul M. Women of Fair Hope. Athens: University of Georgia Press, 1984.
- Land Acquisition File and Maps in the private files of Paul Gaston.
- Minutes, Fairhope Industrial Association, 1894-1907.